



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

SBT Bancorp, Inc./The Simsbury Bank & Trust Company

Person to be contacted regarding this report:	Anthony Bisceglia, EVP & CFO
CPP Funds Received:	\$4,000,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	3/27/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	3385100
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	33999
City:	Simsbury
State:	Connecticut

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	For the year ending 12/31/09, total loans increased by \$13.4 million, or 7.5%, over the prior year.
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<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	For the year ending 12/31/09, residential mortgage loans increased by \$12.4 million, or 9.8%, over the prior year.
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	For the year ending 12/31/09, investment securities increased by \$17.0 million, or 50.6%, over the prior year.
<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	For the year ending 12/31/09, provision for loan losses increased by \$97K over the year ending 12/31/08.

<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

During 2009, Simsbury Bank experienced loan growth of approximately 8% and deposit growth of approximately 13%. Meeting the demands of our local community during this time of financial market crisis and deep economic recession would have been impossible without participation in the Treasury's Capital Purchase Program ("CPP"). Simsbury Bank fully deployed the \$4 million in preferred stock capital raised through participation in the CPP by building our local customer base. We were able to accommodate local deposit demand and lend a large share of those deposits to local businesses and households. Throughout this difficult period, we remained a well capitalized, safe and sound financial institution fulfilling the mission of the Bank's founders.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

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According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.